

Roseanna Cunningham MSP
Cabinet Secretary for the Environment,
Climate Change and Land Reform
The Scottish Government
St Andrews House
EDINBURGH
EH1 3DG

13 March 2017

Dear Roseanna,

Proposal for a deposit and return scheme

As you know the Federation of Small Businesses (FSB) is Scotland's representative body for the smaller business community. We represent firms in every sector and every part of the country, including thousands of retail and hospitality businesses.

With that in mind, you can understand our alarm at renewed calls for a compulsory deposit and return scheme to be imposed on Scottish businesses.

In our view, the case for such a change has not been made – with advocates for the scheme ignoring the practical implications for smaller firms and town centres.

From our perspective, though, there remain three fundamental problems with such proposals:

- Most smaller businesses lack the storage space for large numbers of empty bottles;
- Facilities to return bottles are likely to be located out of town and beside supermarkets, further forcing footfall away from town centres;
- Such a scheme is unlikely to be compatible with Scotland's existing non-domestic waste regime – which recently became considerably more onerous for smaller firms – and may impair further progress; Scotland has just invested significant

sums in some of the best kerbside recycling in the world, making the need for in-store recycling questionable.

We also understand that some concerns have been raised about the feasibility study carried out in 2015, including the lack of consultation with producers, retailers, local authorities or waste management companies; and a lack of analysis of the effects that this scheme could have on consumers.

With Scottish business confidence very low, small retailers under pressure from the cost of a series of regulatory changes in recent years and efforts to inject life into local high streets being undermined by big business and public sector closures, we'd ask you to consider carefully whether this is the right approach for Scotland at this time.

Indeed, as this year's rates revaluation showed, many in the business community would be unable to bear another substantial increase in their operating costs.

As always, we are more than happy to discuss any aspect of this in more detail.

Yours sincerely,

Redacted
Scottish Policy Convener

CC: Paul Wheelhouse, Minister for Business, Innovation and Energy